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COMMISSIONER OF ADMINISTRATION

State of Louisiana
Division of Administration
Office of State Uniform Payroll

January 28, 2010

OFFICE OF STATE UNIFORM PAYROLL MEMORANDUM #2010-35

TO: All ISIS HR Paid Agencies

FROM: Andrea P. Hubbard
Director

SUBJECT: Tax Rates for Calendar Year 2010

Effective January 1, 2010, the new Federal Tables for income tax withholding and advance earned income credit payments will be used in calculating tax deductions. **Net pay may differ due to 2010 tax rate changes and a lower annual salary used in the tax calculation because of the difference in number of pay periods for 2010 vs. 2009.** A message appeared on the January 15, 2010 checks and payroll statements advising employees that their net pay may differ.

Although the withholding tables have changed, the following amounts remain the same for calendar year 2010.

- (1) The biweekly withholding allowance will continue as **\$140.38**.
- (2) The Social Security wage base will continue as **\$106,800.00**.
- (3) The maximum Social Security Tax withheld from each employee and matched by the employer will continue as **\$6,621.60**.

As usual, there is no wage base limit for Medicare tax. The tax rate remains at 6.2% for Social Security and 1.45% for Medicare tax for 2010.

IRS Publication 15, Circular E, Employer's Tax Guide, revised for 2010 has been released electronically. Agencies may not receive a hard copy in the mail due to all state agencies being under one tax ID. The entire publication can be accessed through the IRS website at <http://www.irs.gov/pub/irs-pdf/p15.pdf>. The new tax tables begin on page 37 of the Circular E.

If you have any questions, please call a member of the OSUP Wage and Tax Administration Unit at DOA-OSUP-WTA@la.gov or (225):

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